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**Groestar Limited**  
**FINANCIAL STATEMENTS**  
for the year ended  
31 December 2013



# Groestar Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

A B Grainger  
C A Bennett  
G C Grainger  
M J Osborn

### SECRETARY

C A Bennett

### REGISTERED OFFICE

Unit One  
Morley Business Centre  
Morley Road  
Tonbridge  
Kent TN9 1RA

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
Hanover House  
18 Mount Ephraim Road  
Tunbridge Wells  
Kent  
TN1 1ED

### BANKERS

Lloyds TSB Bank plc  
121 High Street  
Tonbridge  
Kent TN9 1DB

# Groestar Limited

## STRATEGIC REPORT

for the year ended 31 December 2013

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### REVIEW OF THE BUSINESS

Groestar Limited is an electrical and mechanical installer working predominantly on framework contracts within the Telecommunications and Commercial Sectors. The company grew steadily through the first half of the year, enjoying increased market share and employing a number of new staff members to meet customer demands and expectations. This growth however was not turned into profit as the market fell flat during the second half of the year, although market share still grew turnover and profit suffered leading to the losses indicated within this report.

### FUTURE DEVELOPMENTS

Groestar Limited have been successful in securing another multi million pound framework contract, which is providing the company with greater resource flexibility when the contract kicks in through the second half of 2014 onwards.

### RISKS AND UNCERTAINTIES

The risks within the company's business are the dependency on a small number of large telecommunication companies for a significant volume of business. Therefore, to mitigate this in 2014, the company altered its' structure in a bid to reduce dependency by increasing the sales team to seek out and develop new customers, whilst still using the expertise it has developed in its current market place.

### KEY PERFORMANCE INDICATORS

The company is measured on its performance for contract delivery and environmental performance.

#### Contract Performance

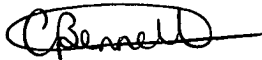
In 2013 the company Achieved > 99% on all contract timescale deliveries against agreed required by dates.

#### Environmental Performance

The company has registered with the Carbon Disclosure Project (CDP) which is a organisation based in the UK which works with shareholders and corporations to disclose the greenhouse gas emissions of major corporations. CDP 2013 Disclosure Score (Out of possible 100) Disclosure Scores are an assessment of the quality and completeness of a company's response; they are not a measure of a company's performance in relation to climate change management. The company has achieved the following:

Company Name Disclosure Score  
Groestar Limited 93  
CDP Supply Chain Average 49

By order of the board



C A Bennett

Company Secretary

28<sup>th</sup> Nov. 2014

# Groestar Limited

## DIRECTORS' REPORT

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The directors submit their report and financial statements of Groestar Limited for the year ended 31 December 2013.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of electrical services.

### RESULTS AND DIVIDENDS

The loss for the year amounted to £284,482. The directors have not recommended a dividend.

### DIRECTORS

The directors who served the company during the year were as follows:

R F Waller  
A B Grainger  
C A Bennett  
G C Grainger  
D Parker  
M J Osborn

R F Waller retired as a director on 4 June 2014.

D Parker retired as a director on 4 June 2014.

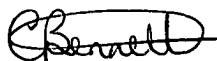
### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITOR

Baker Tilly UK Audit LLP is deemed to be re-appointed under section 487(2) of the Companies Act 2006.

By order of the board



C A Bennett

Company Secretary

28<sup>th</sup> Nov 2014

# Groestar Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROESTAR LIMITED

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We have audited the financial statements on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Baker Tilly UK Audit LLP*

GARY PURDY (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Hanover House  
18 Mount Ephraim Road  
Tunbridge Wells  
Kent TN1 1ED

*28 November 2014*

**Groestar Limited**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2013

		2013	2012 (restated)
	<i>Notes</i>	£	£
TURNOVER	1	8,123,944	8,519,031
Cost of sales		6,051,112	6,881,628
Gross profit		<u>2,072,832</u>	<u>1,637,403</u>
Administrative expenses		2,343,556	1,838,208
OPERATING LOSS	2	<u>(270,724)</u>	<u>(200,805)</u>
Interest receivable		4	142
		<u>(270,720)</u>	<u>(200,663)</u>
Interest payable and similar charges	5	(13,850)	(7,603)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(284,570)</u>	<u>(208,266)</u>
Taxation	6	(88)	(43,353)
LOSS FOR THE FINANCIAL YEAR	17	<u><u>(284,482)</u></u>	<u><u>(164,913)</u></u>

The loss for the year arises from the company's continuing operations.

# Groestar Limited

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 December 2013

	2013	2012 <i>(restated)</i>
	£	£
Loss for the financial year	(284,482)	(164,913)
Total recognised gains and losses relating to the year	<u>(284,482)</u>	<u>(164,913)</u>
Prior year adjustment (see note 7)	<u>(66,699)</u>	<u>          </u>
Total recognised gains and losses since the last financial statements	<u><u>(351,181)</u></u>	



## Groestar Limited

## BALANCE SHEET

31 December 2013

			2013	2012 (restated)
	Notes	£	£	£
<b>FIXED ASSETS</b>				
Tangible assets	8		767,692	793,982
<b>CURRENT ASSETS</b>				
Stocks	9	140,522		51,059
Debtors	10	1,606,563		2,330,741
Cash at bank and in hand		26,676		39,312
		<u>1,773,761</u>		<u>2,421,112</u>
<b>CREDITORS</b>				
Amounts falling due within one year	11	<u>1,672,732</u>		<u>2,016,398</u>
<b>NET CURRENT ASSETS</b>			<u>101,029</u>	<u>404,714</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>868,721</u>	<u>1,198,696</u>
<b>CREDITORS</b>				
Amounts falling due after more than one year	12		<u>257,491</u>	<u>302,984</u>
			<u>611,230</u>	<u>895,712</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	16		50,000	50,000
Revaluation reserve			85,690	85,690
Profit and loss account	17		<u>475,540</u>	<u>760,022</u>
<b>SHAREHOLDERS' FUNDS</b>	18		<u>611,230</u>	<u>895,712</u>

The financial statements on pages 6 to 19 were approved by the board of directors and authorised for issue on 28.11.14 and are signed on their behalf by:



A B Grainger  
Director

**Groestar Limited**  
**CASH FLOW STATEMENT**  
for the year ended 31 December 2013

		2013	2012
	<i>Notes</i>	£	£
Net cash flow from operating activities	19.a	647,166	(64,462)
Returns on investments and servicing of finance	19.b	(39,891)	(25,671)
Taxation	19.b	13,880	(104,215)
Capital expenditure and financial investment	19.b	(146,537)	(543,511)
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<b>474,618</b>	<b>(737,859)</b>
Financing	19.b	(57,627)	280,911
<b>INCREASE/(DECREASE) IN CASH IN THE PERIOD</b>		<b>416,991</b>	<b>(456,948)</b>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT</b>			
		2013	2012 (restated)
		£	£
Increase/(decrease) in cash in the period		416,991	(456,948)
Net cash outflow from/(inflow) from bank loans		8,536	(192,845)
Cash outflow in respect of hire purchase		49,091	(88,066)
Change in net debt	19.c	474,618	(737,859)
Net debt at the beginning of the year	19.c	(1,165,640)	(427,781)
Net debt at the end of the year	19.c	(691,022)	(1,165,640)

# Groestar Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

### TURNOVER

The turnover shown in the profit and loss account represents amounts receivable in respect of work carried out during the year, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

### FIXED ASSETS

All fixed assets are initially recorded at cost.

The company has adopted the revaluation model in respect of freehold property, under the provisions of FRS 15.

The company's policy is to update the revaluation every 5 years in accordance with the provisions of FRS 15.

### DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	- Land not depreciated, buildings 2% straight line
Fixtures, fittings & equipment	- 20% / 25% reducing balance
Motor vehicles	- 35% reducing balance

### STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

### LEASING AND HIRE PURCHASE COMMITMENTS

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

### PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

# Groestar Limited

## ACCOUNTING POLICIES

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### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

### GOING CONCERN

These accounts have been prepared on a going concern basis.

Detailed profitability and cash flow forecasts have been prepared to December 2015 and as a result the directors are confident that the company will have sufficient financing to meet all of its operating and interest costs for the foreseeable future.

Should the company be unable to meet its liabilities as they fall due, adjustments would have to be made to restate fixed assets as current assets, to reduce the value of assets to their recoverable amounts and to provide for any further liabilities as they arise.

# Groestar Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

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### 1 TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2013	2012 (restated)
	£	£
United Kingdom	8,123,944	8,519,031

### 2 OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2013	2012 (restated)
	£	£
Depreciation of owned fixed assets	52,564	50,255
Depreciation of assets held under hire purchase agreements	133,846	140,437
Profit on disposal of fixed assets	(13,583)	(2,954)
Auditor's remuneration for statutory audit	13,000	9,000
Auditor's remuneration for other services	4,850	5,000
Finance lease charges	26,045	18,210
Operating lease charges	50,590	38,977

### 3 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year was:

	2013	2012
	No	No
Production staff	72	69
Administrative staff	20	18
Management staff	6	6
	98	93

The aggregate payroll costs of the above were:

	2013	2012
	£	£
Wages and salaries	3,782,026	3,580,797
Social security costs	429,920	397,257
Other pension costs	26,366	24,277
	4,238,312	4,002,331

# Groestar Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

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### 4 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2013	2012
	£	£
Remuneration receivable	370,435	380,066
Value of company pension contributions to money purchase schemes	17,100	16,375
	<u>387,535</u>	<u>396,441</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2013	2012
	No	No
Money purchase schemes	<u>6</u>	<u>6</u>

The highest paid director received aggregate remuneration of £70,484 (2013: £79,687). Company pension contributions in respect of the highest paid director amounted to £2,520 (2013: £4,325).

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
On bank loans and overdrafts	<u>13,850</u>	<u>7,603</u>

### 6 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2013	2012 (restated)
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 23% (2012 - 25%)	-	(39,801)
Over provision in prior year	(88)	-
Total current tax	<u>(88)</u>	<u>(39,801)</u>
Deferred tax:		
Origination and reversal of timing differences		
Capital allowances	-	(3,552)
Tax on loss on ordinary activities	<u>(88)</u>	<u>(43,353)</u>

The company has £347,131 (2012: £nil) of trading losses available to carry forward against future trading profits.

A deferred tax asset of £69,426 (2012: £nil) has not been recognised.

# Groestar Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

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### 6 TAXATION ON ORDINARY ACTIVITIES *(continued)*

#### (b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23% (2012 - 25%), as explained below:

	2013	2012 <i>(restated)</i>
	£	£
Loss on ordinary activities before taxation	<u>(284,570)</u>	<u>(208,266)</u>
Loss on ordinary activities by rate of tax	(66,153)	(51,019)
Effects of:		
Tax on disallowable expenses	3,497	3,475
Capital allowance in excess of depreciation	(19,356)	12,083
Under provisions in previous period	(88)	-
Effect of marginal relief	116	-
Utilisation of tax losses	473	-
Adjustments to tax charge in respect of previous periods	-	(39,801)
Unrelieved tax losses	80,696	-
Income not taxable for tax purposes	-	(225)
Losses carried back	-	34,754
Fixed asset timing differences	<u>727</u>	<u>932</u>
Total current tax (note 6(a))	<u>(88)</u>	<u>(39,801)</u>

### 7 PRIOR YEAR ADJUSTMENT

The company's profit and loss account for the year ended 31 December 2012 and balance sheet as at that date have been restated to correct a fundamental error.

Turnover and profit before tax for the year ended 31 December 2012 were overstated by £92,708 which should have been accounted for as an additional customer rebate.

Accruals and deferred income as at the balance sheet date of 31 December 2012 were understated by £107,283 and trade creditors overstated by £14,575.

The restatement of the profit and loss account for the year ended 31 December 2012 resulted in an additional loss before taxation of £92,708 which is available to carry back and offset against the trading profits in 2011 giving rise to an additional corporation tax refund of £26,009 which has been reflected in the profit and loss account for the year ended 31 December 2012 and debtors as at 31 December 2012.

**Groestar Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2013

**8 TANGIBLE FIXED ASSETS**

	Freehold Property £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
Cost or valuation				
At 1 January 2013	416,454	197,829	659,162	1,273,445
Additions	–	7,455	179,385	186,840
Disposals	–	(2,587)	(115,737)	(118,324)
At 31 December 2013	<u>416,454</u>	<u>202,697</u>	<u>722,810</u>	<u>1,341,961</u>
Depreciation				
At 1 January 2013	3,129	99,969	376,365	479,463
Charge for the year	3,129	26,014	157,267	186,410
On disposals	–	(2,308)	(89,296)	(91,604)
At 31 December 2013	<u>6,258</u>	<u>123,675</u>	<u>444,336</u>	<u>574,269</u>
Net book value				
At 31 December 2013	<u>410,196</u>	<u>79,022</u>	<u>278,474</u>	<u>767,692</u>
At 31 December 2012	<u>413,325</u>	<u>97,860</u>	<u>282,797</u>	<u>793,982</u>

The freehold land and buildings for Unit One Morley Road were valued at £210,000 on a continuing existing basis at 29 March 2012, by J C Moys FRICS, a Chartered Surveyor with Brackets Chartered Surveyors.

The freehold land and buildings for Unit Two Morley Road were valued at cost of £206,454 on a continuing existing basis at 29 February 2012. The directors do not believe that the value has materially changed from the original cost.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2013 £	2012 £
Historical cost	<u>166,973</u>	<u>166,973</u>
Depreciation:		
At 1 January 2013	12,486	10,663
Charge for year	1,823	1,823
At 31 December 2013	<u>14,309</u>	<u>12,486</u>
Net historical cost value:		
At 31 December 2013	<u>152,664</u>	<u>154,487</u>
At 1 January 2013	<u>154,487</u>	<u>156,310</u>

**Hire purchase agreements**

Included within the net book value of £767,692 is £248,571 (2012 - £260,812) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £133,846 (2012 - £140,437).



**Groestar Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2013

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9 STOCKS

	2013	2012
	£	£
Finished goods	<u>140,522</u>	<u>51,059</u>

10 DEBTORS

	2013	2012 (restated)
	£	£
Trade debtors	1,361,488	1,607,131
Amounts recoverable on contracts	163,625	640,363
Corporation tax repayable	26,009	39,801
Other debtors	5,688	79
Prepayments and accrued income	49,753	43,367
	<u>1,606,563</u>	<u>2,330,741</u>

The debtors above include the following amounts falling due after more than one year:

	2013	2012
	£	£
Other debtors	<u>5,688</u>	<u>—</u>

11 CREDITORS: Amounts falling due within one year

	2013	2012 (restated)
	£	£
Bank loans and overdrafts	322,180	751,807
Trade creditors	420,913	461,446
Taxation and social security	485,080	387,554
Obligations under hire purchase agreements	138,027	150,161
Other creditors	3,019	20,987
Accruals and deferred income	303,513	244,443
	<u>1,672,732</u>	<u>2,016,398</u>

Included within bank loans and overdrafts is an amount of £308,646 (2012: £738,273), relating to an invoice discounting facility with Lloyds TSB Commercial Finance Limited. This amount is secured by fixed and floating charges over the company's assets.

Included within bank loans and overdrafts is an amount of £13,534 (2012: £13,534), relating to a loan with Lloyds TSB Bank PLC. This amount is secured by fixed and floating charges over the company's assets.

# Groestar Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

### 12 CREDITORS: Amounts falling due after more than one year

	2013	2012
	£	£
Bank loans and overdrafts	170,775	179,311
Obligations under hire purchase agreements	86,716	123,673
	<u>257,491</u>	<u>302,984</u>

Included within bank loans is an amount of £170,775 (2012: £179,311), relating to a loan with Lloyds TSB Bank PLC. This amount is secured by fixed and floating charges over the company's assets.

### 13 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2013	2012
	£	£
Amounts payable within 1 year	138,027	150,161
Amounts payable between 2 to 5 years	86,716	123,673
	<u>224,743</u>	<u>273,834</u>

### 14 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	2013		2012	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within 1 year	11,322	339	-	9,368
Within 2 to 5 years	43,350	29,195	-	29,609
	<u>54,672</u>	<u>29,534</u>	<u>-</u>	<u>38,977</u>

### 15 RELATED PARTY TRANSACTIONS

The company was under the control of A B Grainger, a director, and members of his close family throughout the current and previous year.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

### 16 SHARE CAPITAL

	2013	2012
	£	£
Allotted, called up and fully paid: 50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

**Groestar Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2013

**17 PROFIT AND LOSS ACCOUNT**

	2013	2012 (restated)
	£	£
Balance brought forward as previously reported	826,721	924,935
Prior year adjustment (see note 7)	(66,699)	–
Balance brought forward restated	760,022	924,935
Loss for the financial year	(284,482)	(164,913)
At the end of the year	<u>475,540</u>	<u>760,022</u>

**18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2013	2012 (restated)
	£	£
Loss for the financial year	(284,482)	(164,913)
Opening shareholders' funds	962,411	1,060,625
Prior year adjustment (see note 7)	(66,699)	–
Closing shareholders' funds	<u>611,230</u>	<u>895,712</u>

**19 CASH FLOWS**

**a Reconciliation of operating loss to net cash inflow/(outflow) from operating activities**

	2013	2012 (restated)
	£	£
Operating loss	(270,724)	(200,805)
Interest payable	26,045	18,210
Depreciation	186,410	190,692
Profit on disposal of fixed assets	(13,583)	(2,954)
Increase in stocks	(89,463)	(44,143)
Decrease in debtors	710,386	228,465
Increase/(decrease) in creditors	98,095	(253,927)
Net cash inflow/(outflow) from operating activities	<u>647,166</u>	<u>(64,462)</u>

**b Analysis of cash flows for headings netted in the cash flow**

Returns on investment and servicing of finance

	2013	2012
	£	£
Interest received	4	142
Interest paid	(39,895)	(25,813)
Net cash outflow from returns on investments and servicing of finance	<u>(39,891)</u>	<u>(25,671)</u>

**Groestar Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2013

19 CASH FLOWS (*continued*)

Taxation	2013	2012
	£	£
Taxation	<u>13,880</u>	<u>(104,215)</u>
Capital expenditure	2013	2012
	£	£
Payments to acquire tangible fixed assets	(186,840)	(562,947)
Receipts from sale of fixed assets	<u>40,303</u>	<u>19,436</u>
Net cash outflow from capital expenditure	<u>(146,537)</u>	<u>(543,511)</u>
Financing	2013	2012
	£	£
(Repayment of)/increase in bank loans	(8,536)	192,845
Capital element of hire purchase	<u>(49,091)</u>	<u>88,066</u>
Net cash (outflow)/inflow from financing	<u>(57,627)</u>	<u>280,911</u>

c Analysis of net debt

	At 1 Jan 2013	Cash flows	At 31 Dec 2013
	£	£	£
Cash in hand and at bank	39,312	(12,636)	26,676
Overdrafts	<u>(738,273)</u>	<u>429,627</u>	<u>(308,646)</u>
	<u>(698,961)</u>	<u>416,991</u>	<u>(281,970)</u>
Debt due within 1 year	(13,534)	–	(13,534)
Debt due after 1 year	<u>(179,311)</u>	<u>8,536</u>	<u>(170,775)</u>
Hire purchase agreements	<u>(273,834)</u>	<u>49,091</u>	<u>(224,743)</u>
	<u>(466,679)</u>	<u>57,627</u>	<u>(409,052)</u>
Total	<u>(1,165,640)</u>	<u>474,618</u>	<u>(691,022)</u>